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**APPENDIX C-1**  
**NATIONAL DAIRY BOARD ACTUAL INCOME AND EXPENSES 1999 - 2001**  
(in \$000's)

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	1999	2000	2001
<b>INCOME</b>			
Assessments	80,832	84,746	83,633
Interest	447	599	369
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Income</b>	<b>81,279</b>	<b>85,345</b>	<b>84,002</b>
<b>GENERAL EXPENDITURES</b>			
General & Administrative	2,667	2,570	2,676
USDA	<u>407</u>	<u>567</u>	<u>471</u>
<b>Total General Expenditures</b>	<b>3,074</b>	<b>3,137</b>	<b>3,147</b>
<b>PROGRAM EXPENDITURES</b>			
Communications & Member Relations	4,044	4,426	7,929
Domestic Marketing	66,280	65,237	73,229
Export Enhancement	5,955	6,171	5,565
Planning & Research	<u>4,015</u>	<u>3,742</u>	<u>2,537</u>
<b>Total Program Expenditures</b>	<b>80,294</b>	<b>79,576</b>	<b>89,260</b>
Excess of Revenue (Under) Over Expenditures	(2,089)	2,632	(8,405)
<b>Fund Balance, Beginning of Year</b>	<b>15,631</b>	<b>13,541</b>	<b>16,173</b>
<b>Fund Balance, End of Year</b>	<b>13,541</b>	<b>16,173</b>	<b>7,768</b>

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SOURCE: Independent Auditor's Report of the National Dairy Board and USDA Records.

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**APPENDIX C-2**  
**USDA OVERSIGHT COSTS FOR THE NATIONAL DAIRY BOARD 1997 - 2001**

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	1997	1998	1999	2000	2001
Salaries & Benefits	\$254,845	\$238,526	\$244,793	286,546	\$283,350
Travel	19,740	11,555	22,514	28,983	21,925
Miscellaneous <sup>1</sup>	33,656	68,576	47,204	63,614	74,054
Equipment	5,210	3,514	5,887	4,205	4,731
Printing	<u>3,715</u>	<u>1,955</u>	<u>8,825</u>	<u>5,622</u>	<u>5,551</u>
<b>AMS OVERSIGHT</b>	<b>\$317,166</b>	<b>\$324,126</b>	<b>\$329,223</b>	<b>\$388,970</b>	<b>\$389,611</b>
<b>INDEPENDENT EVALUATION</b>	<b><u>\$151,040</u></b>	<b><u>\$ 96,888</u></b>	<b><u>\$ 21,600</u></b>	<b><u>\$ 65,331</u></b>	<b><u>\$99,837</u></b>
<b>TOTAL<sup>2</sup></b>	<b>\$468,206</b>	<b>\$421,014</b>	<b>\$350,823</b>	<b>\$454,301</b>	<b>\$489,448</b>

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<sup>1</sup> Includes overhead, transportation, rent, communications, utilities, postage, contracts, supplies, photocopying, and the Office of the General Counsel.

<sup>2</sup> The totals for USDA expenses differ slightly from those shown in Appendix C-1 for some years because of end-of-year estimates which are adjusted in the following fiscal year.

AMS - Agricultural Marketing Service. SOURCE: Monthly billings by USDA-AMS-Dairy Programs to the National Dairy Board.

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**APPENDIX C-3**  
**NATIONAL DAIRY BOARD APPROVED BUDGETS 2000 - 2002**  
(in \$000's)

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	2000	2001	2002
<b>REVENUES</b>			
Assessments	81,150	84,200	84,750
Interest	<u>450</u>	<u>475</u>	<u>250</u>
<b>Total Income</b>	<b>81,600</b>	<b>84,675</b>	<b>85,000</b>
 Carryover from Previous FY	-	-	-
Program Development Fund	<u>2,756</u>	<u>6,928</u>	<u>2,307</u>
<b>Total Available Funds</b>	<b>84,356</b>	<b>91,603</b>	<b>87,307</b>
 <b>EXPENSES</b>			
General & Administrative	2,768	3,275	2,971
USDA - AMS Oversight	450	500	525
Independent Evaluation	<u>-</u>	<u>-</u>	<u>-</u>
<b>Subtotal</b>	<b>3,218</b>	<b>3,775</b>	<b>3,496</b>
 <b>PROGRAM BUDGET</b>			
Domestic Marketing	66,971 [82.5%]	74,413 [84.7%]	66,032 [78.7%]
Communications & Member Relations	4,136 [ 5.1%]	5,904 [ 6.7%]	9,651 [11.2%]
Planning & Research	3,937 [ 4.9%]	2,368 [ 2.7%]	3,532 [ 4.3%]
Export Enhancement	<u>6,094 [ 7.5%]</u>	<u>5,143 [ 5.9%]</u>	<u>4,776 [ 5.8%]</u>
<b>Subtotal</b>	<b>81,138 [100%]</b>	<b>87,828 [100%]</b>	<b>83,991 [100%]</b>
 <b>Total Budget</b>	<b>84,356</b>	<b>91,603</b>	<b>87,307</b>

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SOURCE: Budgets received and approved by USDA from the National Dairy Board.

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**APPENDIX C-4**  
**NATIONAL FLUID MILK BOARD ACTUAL INCOME AND EXPENSES 1997 - 2001**  
(in \$000's)

	7/97-6/98	7/98-12/98 <sup>2</sup>	1/99-12/99	1/00-12/00	1/01-12/01
<b>INCOME</b>					
Assessments	110,237	55,316	109,532	109,290	107,693
Late Payment Charges	284	15	48	51	241
Interest	908	515	545	639	404
Other	-	-	112	21	676
<b>Total Income</b>	<b>111,429</b>	<b>55,846</b>	<b>110,237</b>	<b>110,001</b>	<b>109,014</b>
<b>GENERAL EXPENDITURES</b>					
California Refund	10,374	5,287	10,275	10,217	10,036
Administrative Expenses	2,263	1,054	2,683	2,310	2,117
Other Administrative Services	-	-	-	-	-
Financial Services	-	-	-	-	-
USDA - AMS Oversight	232	135	262	368	321
Independent Evaluation	40	36	61	-	-
Compliance	-	-	45	24	43
Bad Debt Expense	830	-	74	9	-
<b>Total General Expenditures</b>	<b>13,739</b>	<b>6,512</b>	<b>13,400</b>	<b>12,928</b>	<b>12,517</b>
<b>PROGRAM EXPENDITURES</b>					
Media	75,140	46,289	71,607	68,287	73,943
Public Relations	8,458	8,819	11,217	10,714	9,582
Promotions	4,103	5,330	12,007	14,475	10,150
Strategic Thinking	153	156	553	458	503
Medical Advisory Panel	47	146	221	206	200
American Heart Association	120	24	497	19	120
Research, Local Markets, & Program Measurement	1,607	239	920	997	614
<b>Total Program Expenditures</b>	<b>89,628</b>	<b>61,003</b>	<b>97,022</b>	<b>95,158</b>	<b>95,112</b>
Excess of revenue (under) over expenditures	8,062	(11,667)	(184)	1,915	1,385
Beginning of year fund balance	17,177	25,239	13,572	13,388	15,303
End of year fund balance	25,239	13,572	13,388	15,303	16,688

NOTE: AMS - Agricultural Marketing Service. SOURCE: Independent Auditor's Report of the Fluid Milk Board and USDA records.

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**APPENDIX C-5**  
**USDA OVERSIGHT COSTS FOR THE NATIONAL FLUID MILK BOARD 1997 - 2001**

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	1997	1998	1999	2000	2001
Salaries & Benefits	\$186,255	\$161,057	\$176,181	\$243,281	\$246,200
Travel	11,654	11,042	11,718	20,617	12,843
Miscellaneous <sup>1</sup>	32,254	62,332	39,525	48,090	50,771
Equipment	203	4,400	13,975	4,389	4,868
Printing	<u>6,694</u>	<u>2,356</u>	<u>6,841</u>	<u>5,137</u>	<u>6,571</u>
<b>AMS OVERSIGHT</b>	<b>\$237,060</b>	<b>\$241,187</b>	<b>\$248,240</b>	<b>\$321,514</b>	<b>\$321,253</b>
 <b>INDEPENDENT EVALUATION</b>	 <b><u>\$61,300</u></b>	 <b><u>\$52,170</u></b>	 <b><u>\$14,400</u></b>	 <b><u>\$24,555</u></b>	 <b><u>\$32,667</u></b>
 <b>TOTAL<sup>2</sup></b>	 <b>\$298,360</b>	 <b>\$293,357</b>	 <b>\$262,640</b>	 <b>\$346,069</b>	 <b>\$353,920</b>

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<sup>1</sup> Includes overhead, transportation, rent, communications, utilities, postage, contracts, supplies, photocopying, and the Office of the General Counsel.

<sup>2</sup> The totals for USDA expenses differ slightly from those shown in Appendix C-4 for some years because of end-of-year estimates which are adjusted in the following fiscal year.  
AMS - Agricultural Marketing Service. Source: Monthly billings by USDA-AMS-Dairy Programs to the National Fluid Milk Board.

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## APPENDIX C-6

### NATIONAL FLUID MILK BOARD APPROVED BUDGETS 1998 - 2002

(in \$000's)

	7/98-6/99 <sup>1</sup>	1999 <sup>2</sup>	2000	2001	2002
<b>REVENUES</b>					
Assessments	106,800	109,000	110,000	110,000	106,650
Interest	-	600	-	-	-
<b>Total Revenues</b>	<b>106,800</b>	<b>109,600</b>	<b>110,000</b>	<b>110,000</b>	<b>106,650</b>
California TV Rebate	-	-	601	800	-
Carryover from Previous FY	11,310	10,900	4,410	3,184	3,508
<b>Total Available Funds</b>	<b>118,100</b>	<b>120,500</b>	<b>115,011</b>	<b>113,984</b>	<b>110,158</b>
<b>EXPENSES</b>					
General and Administrative	1,980	2,830	2,308	3,000	2,280
USDA - AMS Oversight	280	280	280	350	350
Independent Evaluation	90	90	<sup>3</sup>	<sup>3</sup>	<sup>3</sup>
Processor Compliance	-	95	<sup>4</sup>	<sup>4</sup>	<sup>4</sup>
Reserve/Contingency	-	-	3,000	-	-
California Refund	10,220	10,220	10,300	10,300	10,146
<b>Subtotal</b>	<b>12,570</b>	<b>13,515</b>	<b>15,888</b>	<b>13,650</b>	<b>12,776</b>
<b>PROGRAM BUDGET</b>					
Advertising	73,623 [71.5%]	77,180 [72.3%]	70,103 [71.1%]	74,640 [74.4%]	74,417 [76.8%]
Public Relations	12,005 [11.7%]	11,563 [10.8%]	11,099 [11.3%]	9,390 [9.4%]	10,900 [11.2%]
Promotions	14,985 [14.5%]	15,455 [14.5%]	14,894 [15.1%]	13,529 [13.5%]	7,031 [7.3%]
Strategic Thinking	1,000 [1.0%]	1,000 [0.9%]	774 [0.8%]	700 [0.7%]	900 [0.9%]
Medical Advisory Panel	300 [0.3%]	400 [0.4%]	263 [0.3%]	250 [0.2%]	200 [0.2%]
Research	1,000 [1.0%]	1,205 [1.1%]	854 [0.9%]	1,625 [1.6%]	1,653 [1.7%]
Local Markets	-	-	395 [0.4%]	-	-
AHA On-Pack, Other	-	-	-	-	650 [0.7%]
Program Management	-	-	-	-	991 [1.0%]
Program Measurement	-	-	213 [0.2%]	200 [0.2%]	150 [0.2%]
<b>Subtotal</b>	<b>102,913 [100%]</b>	<b>106,803 [100%]</b>	<b>98,595 [100%]</b>	<b>100,334 [100%]</b>	<b>96,892 [100%]</b>
Unallocated	2,627	237	528	-	490
<b>Total Budget</b>	<b>110,600</b>	<b>118,110</b>	<b>115,011</b>	<b>113,984</b>	<b>110,158</b>

<sup>1</sup>Fourth fiscal period was 7/98-12/98. <sup>2</sup>Fiscal year changed to calendar year. <sup>3</sup>Independent Evaluation costs are included in Program Measurement expenses. <sup>4</sup>Processor Compliance included in General and Administrative expenses.

NOTE: AMS - Agricultural Marketing Service. SOURCE: Budgets received and approved by USDA from the Fluid Milk Board.